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Minister of Trade and Commerce.

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**REPORT ON**

**DOMINION PROVINCIAL CONFERENCE**

**ON**

**MUNICIPAL STATISTICS**

**OTTAWA, JULY 19 TO 22, 1937**

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**FINANCE STATISTICS BRANCH  
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## SYNOPSIS

The different phases of the problem of municipal statistics under existing conditions, and the action taken on each by the Conference, may be summed up as follows:

### I

The basic requirements are:

(1) A skeleton outline of the "break-down" for the different subjects on which uniform municipal reporting is needed. These subjects include: (a) revenues, (b) expenditures, (c) balance sheet, and (d) general statistics.

(2) A subsequent enlargement or other modification of this skeleton into the detail required for: (a) cities, (b) towns, (c) villages, (d) rural municipalities, and (e) school boards, commissions, etc.

The Conference completed (1) and delegated (2) to a Continuing Sub-Committee, which will submit to the Bureau of Statistics and to the several Provincial Municipal Departments a detailed scheme for each type of municipality, the whole to be ratified in a subsequent conference.

### II

Back of any scheme of municipal reporting on a uniform basis lies the problem of securing (1) uniform nomenclature, and (2) uniform accounting.

The Conference dealt with (1) by examining and changing onto a Canadian basis the scheme of nomenclature that has been drawn up in the United States by the National Committee on Municipal Accounting. With regard to (2), a Continuing Sub-Committee was appointed to examine to what extent the scheme of accounting as drawn up by the National Committee on Municipal Accounting is applicable in Canada to municipalities under a certain size. The Conference also set up a further Continuing Committee to deal with (a) uniform assessment, and (b) uniform reporting on population.

### III

The question of uniform municipal legislation and administration was regarded as beyond the purview of the Conference, though germane to it. The Conference passed two resolutions on this point: one requested the Bureau to make a study of municipal legislation in each province with a view to defining the problem of homologation, and the other urging the general adoption of measures already in force in certain provinces as to the qualifying and continuance in office of municipal accountants, etc.

### IV

The provinces will institute forthwith the changes necessary to conform in a general way with the skeleton outline referred to in Resolution No. 2, but final action, as above stated, will await completion of the work assigned to the committees specified in Resolution No. 3.

The text of the resolutions adopted at the final meeting of the Conference follows.



RESOLUTIONS

Your Committee on Resolutions appointed by this Conference representative of the Dominion Government, the governments of the nine provinces and including representatives of national municipal organizations and municipalities, presents the following resolutions:-

1. Whereas there exists in Canada a lack of uniformity and unnecessary duplication in the preparation and presentation of municipal statistics; and

Whereas the said lack of uniformity and the said duplication render difficult and almost impossible the presentation of comparable and summary municipal statistics; and

Whereas such comparable statistics are essential for an understanding of municipal problems and of public finance in Canada;

Be it resolved that this Conference endorses the principle of uniformity in municipal accounting and in the preparation and presentation of municipal statistics, and the avoidance of duplication in this regard, and that these objectives be achieved by continued co-operation of the Dominion Government and the governments of the several provinces.

.....

2. Whereas special committees of this Conference have prepared forms for the presentation of uniform general municipal statistics, and of uniform statistics relating to municipal revenues and expenditures;

Be it resolved that this Conference recommends the adoption of the said forms as a basis for attaining the desired uniformity.

.....

3. Whereas the adaptation of the principles of uniform accounting and statistical reporting to the requirements of the different units of local government in Canada requires that continuing committees of this Conference be constituted to deal with particular problems, as follows,

Be it resolved that this Conference appoint:-

- (a) A Continuing Sub-Committee on General Municipal Statistics;
- (b) A Continuing Sub-Committee on Revenue, Expenditure, Balance Sheets and the Classification of Municipal Accounts; and
- (c) A Continuing Committee on Assessment and Population for the purpose of reporting to the Dominion Bureau of Statistics and the various Provincial Departments of Municipal Affairs.

.....

4. Whereas financial and other organizations are constantly requiring information from the various units of Local Government and whereas the said inquiries result in duplication of statistical forms with inconvenience because of variations in content;



Be it resolved that this Conference recommends that all forms under consideration be referred to the various financial and other organizations for suggestions and advice in order that the forms finally adopted may be suited to their purpose so that the duplication and inconvenience referred to be avoided.

.....

5. Whereas the co-ordination of municipal statistics requires a common terminology;

Be it resolved that this Conference accept the "Municipal Accounting Terminology" prepared by the National Committee on Municipal Accounting as amended by the Committee on Terminology of this Conference.

.....

6. Whereas an exchange of information on municipal legislation and forms of reporting in the various provinces of Canada is necessary for a satisfactory classification of the different units of local government;

Be it resolved that the Dominion Bureau of Statistics be requested to undertake in co-operation with the Departments of Municipal Affairs or other appropriate departments of the several provinces a study of existing legislation and the forms at present in use for the collection of municipal statistics throughout Canada with a view to a classification of the different types of local government units.

.....

7. Whereas the lack of uniformity in the period covered by the fiscal year in different units of local government renders difficult the presentation of municipal statistics on a uniform basis;

Be it resolved that this Conference recommend that all units of local government adopt the calendar year as the fiscal year.

.....

8. Whereas the co-ordination of municipal statistics is expedited and rendered more efficient by the maintenance of a central organization for the collection and exchange of municipal information;

Be it resolved that this Conference approves the principle as already adopted in certain provinces of a central statistical organization.

.....

9. Whereas the efficiency of local government requires the services of highly-trained officials and qualified auditors and continuity of office;

Be it resolved that this Conference endorses the principle adopted in certain of the provinces for the training and approval of municipal officials and auditors, and that facilities be provided for training in public administration.

.....

IV

10. Whereas the proceedings of this Conference have contributed to a better understanding of the policies and problems of the units of local government in the several provinces of Canada; and

Whereas the introduction of a system for the co-ordination of uniform municipal statistics promises to be of great value to the Dominion Government, the several provinces, and the units of local government in Canada;

Be it resolved that this Conference expresses its appreciation to the Honourable W. D. Euler, Minister of Trade and Commerce of Canada, for summoning the Conference.

.....

11. Be it resolved that the thanks of the Conference be conveyed to His Worship Mayor Stanley Lewis, the Board of Control, and the Council of the City of Ottawa for kindness and hospitality extended.

.....

12. Be it resolved that the Conference expresses its appreciation to the Honourable Wells Gray, Minister of Municipal Affairs of British Columbia, of the invitation to meet next year in Victoria, B.C., and that the acceptance of this invitation be recommended to the respective governments in Canada in order to continue the work begun by the Conference.

.....



## REPORT ON

### DOMINION PROVINCIAL CONFERENCE ON MUNICIPAL STATISTICS,

JULY 19 TO 22, 1937.

The Conference on Municipal Statistics called by the Hon. W. D. Euler, M.P., Minister of Trade and Commerce, was the outcome of a resolution passed by the Canadian Federation of Mayors and Municipalities at its union meeting held at Ottawa in March, 1937, as follows:

Your Committee recommends that the Dominion Government be urged to summon a conference of the Provincial Ministers of Municipal Affairs, the Provincial Statisticians, of representative municipal finance officers from the different provinces and of representatives of this conference, in order to promote the introduction of a standardized system of municipal accounting and the gathering and presentation of municipal statistics on a uniform standardized basis.

Previously, the Municipal Finance Officers' Association of the United States and Canada at its annual meeting in Toronto in September, 1936, passed the following resolution:-

RESOLVED that this Association recommend to the Bureau of Statistics of the Dominion Government, Ottawa, the calling together of a conference of representative Municipal Finance Officers from the different provinces. The main purpose of such conference to be for the supplying of information in greater detail and with more uniformity for the citizens and officials of the local and Provincial Governments and all other interests needing reliable and comparative municipal statistics.

Still earlier, in 1933, the Conference on Statistics of Provincial Government Finance, held at Ottawa, presented to the then Minister of Trade and Commerce the following resolution:-

That this Conference is of opinion that in order to achieve a proper understanding of the entire field of public finance, it is essential that a uniform method of reporting municipal and similar statistics be devised, and that steps appropriate to this end should be taken by the Dominion Bureau of Statistics at an early date.

These resolutions were transmitted to the Honourable the Minister of Trade and Commerce, and on May 5th, 1937, he communicated with the various Provincial Ministers directing municipal affairs, inviting each to send a representative to meet at Ottawa on July 19th, 1937, in order to discuss with the Dominion Bureau of Statistics the possibilities of co-ordinating the statistics of municipal activities throughout Canada. The Minister at the same time extended a similar invitation to the Canadian Federation of Mayors and Municipalities, to the Municipal Finance Officers' Association of the United States and Canada and to the mayor of the largest city in each province. The Department of Finance, the Department of Labour and the Bank of Canada were also asked to take part in the proceedings.



The invitation met with a cordial acceptance by all concerned, and the Conference was finally constituted as follows:

Representing the Dominion Bureau of Statistics:

R. H. Coats, LL.D., F.R.S.C., Dominion Statistician, Chairman  
Col. J. R. Munro, Chief, Finance Statistics Branch, Secretary  
H. H. Marshall, B.A., F.S.S., Chief, Internal Trade Branch  
G. S. Wrong, B.Sc., Chief, Transportation and Public Utilities Branch  
H. G. Caldwell, M.A., B.Com., General Statistics Branch  
F. I. Tanner, Construction Statistics Branch

Representing the Department of Finance, Canada:

A. K. Eaton, Ph.D.

Representing the Department of Labour, Canada:

Tom Moore, Asst. Chairman, National Employment Commission  
C. W. Bolton, M.A., Chief of Statistical Branch  
J. K. Houston, Dominion Unemployment Relief

Representing the Bank of Canada:

D. A. Skelton, B.Com., Chief of Research Department  
J. R. Beattie, B.A.  
John J. Deutsch, B.Com.

Representing the Provincial Governments:

N. S.	-	Frank Rowe, Assistant Municipal Commissioner
P. E. I.	-	P. S. Fielding, Deputy Provincial Treasurer
N. B.	-	Jas. H. Conlon, Director of Federal and Municipal Relations
Quebec	-	J. A. Towner, C.A., Commissioner, Quebec Municipal Commission
		J. Theo. Lamontagne, Acting Chief, Bureau of Statistics
Ontario	-	E. A. Horton, Deputy Minister, Department of Municipal Affairs
		A. J. B. Gray, Department of Municipal Affairs
		R. J. Moore, " " " "
		H. H. Walker, " " " "
Manitoba	-	R. M. Fisher, K.C., Deputy Minister, Department of Municipal Commissioner
Sask.	-	Louis Jacobs, Inspector of Municipal Accounts
Alberta	-	A. Soutter, Deputy Minister, Department of Municipal Affairs
B. C.	-	R. S. Gilchrist, Supervisor of Municipalities

Representing the Canadian Federation of Mayors and Municipalities:

Mayor Stanley Lewis, Ottawa, Treasurer (also representing the Mayors' Association of Ontario)  
Alderman W. H. Biggar, Montreal, Honorary Secretary  
H. Carl Goldenberg, M.A., B.C.L., Montreal, Economist and Statistician

Representing the Municipal Finance Officers' Association of the United States and Canada:

G. P. Gordon, Finance Commissioner, Ottawa (also representing The Canadian Federation of Mayors and Municipalities)



Representing the Ontario Mayors' Association:

Mayor M. M. MacBride, M.L.A., Brantford

Representing Cities:

A. M. Butler, City Auditor, Halifax

Geo. P. Nicholson, City Clerk, Charlottetown

Lastance Roberge, Director of Finance, Montreal

Geo. S. Mooney, Dept. of Planning and Research, Montreal Metropolitan Commission

G. A. Lascelles, Executive Secretary, Treasury Department, Toronto

E. J. Campbell, City Clerk, Brantford

David D. Ross, City Treasurer, Regina

PROCEEDINGS OF MONDAY, JULY 19th, 1937

The Conference convened in the House of Commons at 10 a.m. Monday, July 19th, 1937 and was opened by Major J. G. Parmelee, O.B.E., Deputy Minister of Trade and Commerce, in the unavoidable absence of the Honourable W. D. Euler, Minister. Major Parmelee in extending a welcome to the delegates outlined the importance of municipal organizations, which provide so many necessary services, at large consequent expenditure. The finances of the municipalities, provinces and the Federal Government, he pointed out, are closely aligned, and co-ordinated statistics are requisite to obtain a true picture of the revenues, expenditures, assets and liabilities of governing bodies throughout Canada. The Honourable Mr. Euler, he stated, was anxious to assist in the institution of a standardized system of reporting municipal activities. If such a scheme can be satisfactorily worked out, it would be in the highest sense of the term of mutual governmental and business benefit. The Dominion Statistician had already requested Col. J. R. Munro, Chief of the Finance Statistics Branch of the Dominion Bureau of Statistics, to act as Secretary of the Conference. Before asking the Conference to proceed with the election of a Chairman, Major Parmelee called on His Worship, Mayor Lewis of Ottawa, a representative of the Canadian Federation of Mayors and Municipalities, to address the Conference.

Mayor Lewis, as Chief Magistrate, welcomed the visiting delegates to the City of Ottawa. As a representative of the Canadian Federation of Mayors and Municipalities, he emphasized Major Parmelee's remarks on the importance of municipal government as providing essential services such as education, health, sanitation, waterworks, fire and police protection, charities, roads, pavements and relief. The cost of the above mentioned services, he pointed out, had recently exceeded taxation revenues, and capital charges met by bank issues carrying a high rate of interest also imposed a heavy burden on the municipalities of the country. The Federation of Mayors, he stated, is extremely anxious to obtain co-ordinated municipal statistics and will co-operate in every possible way to bring about the desired result. In accordance with Major Parmelee's suggestion for the election of a Chairman, Mayor Lewis nominated Dr. R. H. Coats, directing head of the Dominion Bureau of Statistics. The nomination was seconded by Mr. E. A. Horton, Deputy Minister of Municipal Affairs of Ontario, and carried.

Dr. Coats having taken the Chair gave an outline of the statistical situation regarding public finance, more particularly in connection with the collection and publication of statistics of municipal finance. The various steps taken in the Dominion Bureau of Statistics since its establishment were described, and an outline given, first of the various phases of the problem involved in municipal statistics, in their logical order and interrelations, and secondly of the



possible machinery and method for operating a scheme once the latter was agreed upon. The task he stated was intricate and difficult, but not beyond the possibilities of solution if the right lines were pursued.

The Chairman then called upon the delegates in turn for remarks on the agenda and mode of procedure, asking the provincial government representatives to speak first. In a brief description of the work of their departments, it was brought out by the latter that municipal organization differed materially between provinces, and that different systems of reporting had been planned to meet individual requirements. In Manitoba, for example, the Department of Municipal Affairs has no jurisdiction over the larger cities, while in the same province the school boards report to the Department of Education and not to the Department of Municipal Affairs. It was learned that in several provinces a revision of reporting systems had recently taken place, but the delegates were of the opinion that a standardized uniform plan could eventually be brought about and expressed the willingness of their Departments to co-operate. A special difficulty was suggested in the classification of municipalities, particularly instanced in the case of New Brunswick where a "municipality" includes a county, an incorporated town, a city or a commission, but where there are no townships. It was suggested that in the eventual construction of schedules, the latter should be drawn up to suit the needs of the smaller municipalities and fuller details added in the case of the larger urban centres. It was also made clear that uniform terminology was a first essential.

Mr. Goldenberg, speaking for the Canadian Federation of Mayors and Municipalities, stated that his association has been sending out questionnaires for the past eighteen months, and while response had been fairly general, there was lack of common terminology and uniformity of accounting, resulting in non-comparable statistics. Mayor M. E. MacBride representing the Ontario Mayors' Association stated that the lack of comparable municipal statistics placed a heavy handicap on the efforts made by his association when endeavouring to lay municipal problems before Ministers of the Crown, both federal and provincial, and it was earnestly hoped that the Conference might devise a standardized scheme of reporting which would necessitate one return only being made each year to the provincial authorities, thereby decreasing the burden for municipal officials who under present conditions are asked to make returns for various organizations.

Mr. Gordon, as a delegate for the Municipal Finance Officers' Association of the United States and Canada, briefly described the work of his Association which is of an international character, the Canadian membership increasing yearly. The National Committee on Municipal Accounting, working in conjunction with advisory committees from various accounting organizations, spent four years in the study of terminology of public accounting and the standardization of accounting forms. This study resulted in the adoption and publication in 1936 of bulletins on "Municipal Accounting Terminology" and "Municipal Accounting Statements". Mr. Gordon recommended strongly that this Conference consider the documents mentioned which he felt could be adapted to suit Canadian municipal requirements, and which would eliminate a great duplication of effort. His association had instructed him to offer every co-operation and assistance in bringing about uniform accounting and reporting. He agreed with the remarks made by the provincial government delegates that one of the important things to bear in mind was the distinction between uniform accounting and uniform reporting. The latter he said is much more easy of attainment, although the former is one of its essential factors. There is also the feasibility of its adoption on a broader scale. The essentials to uniform reporting are of a three-fold nature, viz., a uniform classification, a generally recognized terminology, and generally accepted principles on which the accounting is based. Without these fundamentals there will be little uniformity in results even though reports may be



prepared on similar forms. As to uniform accounting, this is rather difficult to obtain except within homogeneous groups. The smaller municipalities might conceivably have a uniform system of accounting, using common forms and blank books, and making their entries in common manner. But, as municipalities grow larger, their activities become more complex and diversified, so that there could not be the same degree of uniformity in the mechanical methods of accounting. This, however, should not seriously affect any general system of uniform accounting, or throw its statistical reports out of line with other municipalities operating under the same accounting system. Another point brought out by Mr. Gordon was the necessity of deciding in the early deliberations of the Conference whether municipal reports were to be made on a cash or accrual basis. In the United States the Census Bureau is working to the former plan, which, by many authorities is considered a mistake. By this method the opening cash balance is taken at the beginning of the fiscal year and an effort made to tie in all receipts and disbursements with the closing balance at the end of the year. Such a procedure Mr. Gordon thought extremely difficult, and meaningless for municipalities that keep their records on an accrual basis either in part or in whole, as most of the larger ones do. The combining of statistics from municipalities whose accounting is on a cash basis with those whose accounting is on an accrual basis, does not make for accuracy.

The Chairman next called upon Mr. Lascelles of the Treasury Department of the City of Toronto and immediate Past President of the Municipal Finance Officers' Association. Mr. Lascelles commended the lead given by the Bureau of Statistics, expressing the opinion that present financial statistics of municipalities are of little use except to the municipality itself. It would be beneficial not only to the municipalities but to those interested in the financial affairs of municipalities to have uniformity. The main objective of the Municipal Finance Officers' Association for a number of years has been uniform municipal reporting and accounting. It has come to the conclusion after many years deliberation that uniform municipal accounting cannot be accomplished, but that uniform reporting can be attained. If there is uniform reporting with common terminology throughout on a modern basis, it will command modern accounting methods. One of the main features, of course, is whether the reports are to be made on a receipts and disbursements or revenue and expenditure basis. Mr. Lascelles thought that reports should be on a revenue and expenditure basis as giving the true picture. A committee in Ontario some years ago endeavoured to secure a uniform method of reporting. The deliberations lasted over a year and a report was made. The speaker thought that willingness to co-operate should determine the success of the Conference. Uniformity in reporting across Canada would be a help to municipal officials in comparing costs of different services, and it would assist the elected representatives in determining whether their municipality is being run as economically as possible.

Mr. Ross, City Treasurer of Regina, endorsed Mr. Lascelles' remark in appreciation of the Honourable Mr. Euler having included city representation in the Conference. He was in accord with the views of previous speakers that uniform statistics would be exceedingly helpful to the municipalities themselves as well as to various financial institutions. With regard to the accrual basis of accounting, it affords opportunity, if handled loosely, to a municipality showing itself in a better position than is actually the case. He thought it possible to combine the two, reporting the cash position as well as the revenue and expenditure. Mr. Butler, City Auditor of Halifax, added that if the Conference, whose sessions were limited to three or four days, was to be fruitful, sub-committees should be struck immediately to deal with various subjects and to bring in skeleton reports for final consideration. He was of the opinion that the balance sheet represented the crux of municipal statistics, perhaps not so much from the viewpoint of the tax payer as for underwriters and investors in municipal bonds. Mr. Nicholson, City Clerk of Charlottetown,



thought that a uniform reporting system would be most helpful to civic officials as one official return would provide all information necessary.

The Chairman suggested that the Conference, having heard the individual views of all visiting delegates, might proceed with the drawing up of a scheme of uniform reporting, beginning with a table of revenues. The delegates might first like to hear from a representative of the Bank of Canada.

Mr. Skelton, Chief of the Research Department of the Bank of Canada, said that at this stage of proceedings he would care to express himself only in a very general way. He did not think the Bank of Canada was in a position to suggest any lines of concrete rearrangement. He emphasized the need of having public finance statistics of all branches of government in such form that the costs, as a whole, of the different services could be readily learned and who is bearing the burden of this cost. As things stand at present this is impossible. Handicapped by this lack of information it is difficult to work out the most economic and efficient form of Government for the country as a whole. A secondary purpose is the desirability of having such information on a basis that affords comparisons between different units. In isolated cases things would stand out that would reflect on the character of some municipalities; in other cases it might bring out trends in a whole region or area which would not be clear unless the information is on a comparable basis. In some cases additional returns have been required from municipalities simply because the first returns were not on a uniform basis with other returns. The problem is one of simplifying and standardizing rather than of imposing more work on municipal and provincial officers. The Bank would like municipal statistics to be presented in such a way that they can be tied in with Dominion and Provincial figures; there are many cases in which the three Governments overlap, and it is impossible now to get a picture of the money being spent by all Canadian governments.

The meeting then adjourned for luncheon.

Afternoon Session, July 19th, 1937.

The Conference reassembled at 2.15, when the Chairman suggested that it might expedite proceedings if a committee were appointed to deal with the subject of accounting terminology, accepting the report of the National Committee on Municipal Accounting as a working basis. With the assent of the Conference he named the following committee: G. P. Gordon, Chairman; G. A. Lascelles; L. Jacobs; H. H. Walker.

The advisability of appointing a Resolutions Committee was brought forward, and the following members were asked to meet outside of Conference hours: A. J. B. Gray, Chairman; H. C. Goldenberg; A. Soutter; J. A. Towner.

The Chairman then asked for expressions of opinion as to whether it would be better to proceed in "Committee of the Whole" with the broad headings of the agenda, such as revenues, expenditures, balance sheet and so forth, or whether it would be preferable to set up sub-committees on each. A free discussion followed on the classification of municipalities, including school boards, public utilities and commissions whose activities would have to be taken into consideration in a complete financial picture. On the suggestion of Mr. Gray, it was finally agreed that the Resolutions Committee should consider the question of defining municipalities and their subdivision.



A number of the delegates having expressed the view that a decision must be made as to whether the accrual or cash basis was to be adopted before any revision of the tentative schedules could be proceeded with, it was decided after considerable discussion to adopt the accrual basis.

After a preliminary study of the revenue schedule prepared by the Bureau, the opinion was reached that a representative committee should be appointed to draw up the general headings for revenues and expenditures and report back to the Conference. It was moved by Mr. MacBride seconded by Mr. Goldenberg and carried that the committee consist of: L. Jacobs, Saskatchewan, Chairman; D. A. Skelton, Bank of Canada; R. J. Moore, Ontario; G. P. Gordon, Municipal Finance Officers' Association; F. Rowe, Nova Scotia; A. Soutter, Alberta; R. S. Gilchrist, British Columbia; L. Roberge, City of Montreal.

The next item taken up by the Conference was that of expenditures by municipalities on "Unemployment Relief". It was decided that this also was a matter which could be more rapidly dealt with by a special committee consisting of: A. M. Butler, Halifax, Chairman; T. Moore, National Employment Commission; G. A. Lascelles, City of Toronto; C. W. Bolton, Department of Labour; J. K. Houston, Department of Labour; F. Rowe, Nova Scotia; E. A. Horton, Ontario.

The final item of the day's discussion concerned the table of "General Statistics" as laid down in the agenda. It was decided that a small committee should first deal with the breakdown, and the following were appointed to bring in a report at the next session of the Conference: H. C. Goldenberg, Chairman; J. T. Lamontagne; D. D. Ross; A. J. B. Gray; H. G. Caldwell.

As the committees above appointed required time to meet, the Chairman at 5.15 p.m., adjourned the Conference until 2.15 p.m. Tuesday.

The Dominion Government tendered a dinner at the Country Club to the delegates of the Conference on the evening of the opening day's proceedings.

#### Tuesday Afternoon Session, July 20th.

The Chairman called the Conference to order at 2.15 p.m. and asked for reports from the committees appointed at the previous session.

#### General Statistics

Mr. Goldenberg, reporting for the Committee on General Statistics, stated that considerable progress had been made but that his committee would require a further session to complete their work.

#### Revenues

Mr. Jacobs submitted an interim report on the classification of revenues and expenditures. His committee had dealt with revenues only, as it was unable in the time allotted to discuss the expenditure tables. He briefly explained the revenue statement set up by the Committee, pointing out that taxation is the most important item to be considered; the Committee recommended that any income derived through assessments and tax rates or by a direct tax should be included under this heading. There had been some difference of opinion as to whether or not water rates should be placed under this heading. At present Quebec includes under taxation certain income from water services, but the representative from that province stated that it would be possible to follow the classification as now laid down. With



regard to public utilities, the Committee had decided that for practical purposes the net result of financial activities during the year was all that was necessary to report. Concerning school grants, it will be necessary to allow for those provinces in which the municipalities control and pay educational costs. The Committee after considerable interchange of views, decided to place the item of "Interest and penalties on taxes" under "All Other" rather than under "Taxation". The Committee recommended that a summary of gross revenues of each utility should be appended as it is presumed that when "Expenditures" are dealt with there will be accompanying schedules showing the cost of operating utilities.

The Chairman declared the report open for discussion and suggested taking it up section by section. This suggestion was followed and after a lengthy discussion the Conference accepted the schedule in part but recommended certain amendments for further consideration before final adoption.

#### Expenditures on Relief

The next report taken up by the Conference was that of the Special Committee on Expenditures on Unemployment Relief.

Mr. Butler, Chairman of the Committee, submitted a report recommending that a separate classification be made of municipal relief expenditures showing:

1. (a) The gross expenditure for Direct Relief,  
(b) A deduction for the total value of Grants-in-Aid,  
(c) A deduction for the proceeds of Short Term Debentures sold,  
(d) The extended cost for the period.
2. The cost of administration for the period.
3. The cost of servicing Relief loans for the period (when showing this amount it will be necessary to make proper deductions for interest and retirement of debt elsewhere in the statement).

The Committee also drew attention to the heading on the tentative Expenditure Statement, entitled "Charities and Corrections", and suggested that costs occasioned by jails and correctional institutions could be more properly dealt with as administration of justice; also that the cost of alleviating distress from public funds be considered by the Special Committee on Financial Statements under classifications and headings on the following general lines,-

#### (a) Assistance and Relief

- (i) Aged - 1. Old Age Pensions  
2. All other types
- (ii) Other types of Adult Relief  
(Infirm, handicap, ordinary indigence, etc.)
  1. Outdoor
  2. Institutional (almshouses, etc.)
- (iii) Child Care and Protection
  1. Mothers' Allowances
  2. Children's Aid Societies
  3. All other types.



(b) Health and Hospitalization

1. Public Health Services
2. Hospitalization (include T. B. Sanatoria)
3. Incurables
4. Mental Care.

In the ensuing discussion on relief expenditures, item number one was endorsed by the Conference. Item number two "Cost of Administration for the period" was amended by adding "Where separate staffs deal entirely with the administration of direct relief". Item number three after a short discussion was accepted.

The balance of the report as submitted (i.e., the portion relating to "Charities and Corrections") was adversely discussed by a number of the delegates. It was finally referred back to the Committee on Expenditures in the light of the discussion.

Balance Sheet

As the balance sheet on Assets and Liabilities shown in the tentative agenda had as yet received no study, the following committee was asked to make a preliminary survey: J. A. Towner, Chairman; G. A. Lascelles, A. M. Butler, H. H. Walker.

The meeting adjourned at 5.15 p.m., with the understanding that the committees meet in the morning, the Conference to reassemble at 2.15 p.m.

Following the afternoon session the members of the Conference were driven to points of interest around the city, and at 6.30 p.m. were entertained at a dinner at the Chateau Laurier by the City of Ottawa with Mayor Stanley Lewis presiding.

Afternoon Session, July 21st.

On the resumption of sessions at 2.15 p.m., the Chairman asked for the report of the Committee on General Statistics.

General Statistics

Mr. Goldenberg, for the Committee, submitted a schedule for consideration, stressing the fact that a satisfactory classification of some items was dependent upon the reports of other Committees of the Conference, particularly the Committee on Terminology. The Committee recommended for consideration a definition of the term "Municipality", uniformity of fiscal years, and the appointment of a committee on uniform principles and methods of assessment in Canada. As the form submitted was incomplete a Continuing Committee on General Statistics was recommended.

On consideration of the report item by item, Section 1, after a discussion of the various ways in which populations were estimated, was adopted after deleting the words "city proper". Section 2, "Area in Acres" divided to show land and water, was approved, but with the words "City (or town)" deleted. On Section 3 - 1(b), the Conference decided to breakdown the item "buildings" to show "Residential" and "Other (specify)".

Section 3 (6a & b) Assessed Valuation for schools only. This item was amended by adding the following footnote "To be adjusted to provincial requirements".

Section 4 was carried.



Section 5, Tax Levy and Rate. This item was subjected to considerable debate and it was finally agreed to add footnotes to (1) and (2) as follows:

(1) Will include all general fund costs except (a) Direct Relief expenditure to be met from revenue and (b) proportion of levy to meet principal and interest on direct relief debentures.

(2) Will include Direct Relief expenditure to be met from revenue and proportion of levy to meet principal and interest on direct relief debentures.

Section 5 (3c) Tax Levy and Rate on Schools - "High" rate was amended to read "High and Vocational".

The footnote under 3 (6a & b) is also applicable to 5 (3)A (a & b), B (a & b), C (a & b).

Section 6, Tax Situation. There was considerable difference of opinion on the breakdown of this item resulting in the following amendments.

Sub-section 2 was deleted.

Sub-section 6 was revised to read,-

Reserve for non-collection of taxes -  
    (a) In current year  
    (b) In previous years

Total -

Section 7, Debt Situation. This complicated section was subjected to considerable discussion. It was finally agreed to substitute the breakdown employed by the City of Ottawa as shown on page 458 of "General Financial Statements, 1936".

Section 8, 9, 10 and 11 were carried.

Section 12, Direct Unemployment Relief, was amended to read "Direct Relief for fiscal year ending ...."

The schedule as finally amended and adopted will be found as Appendix 1 of this report.

At this juncture the Chairman thought it advisable to set up the suggested Continuing Committee to complete the study of the Schedule on General Statistics, with the instruction that on the completion of their work draft copies be sent to the Dominion Statistician and to each provincial government. This was agreed upon and the following Committee was named: H. C. Goldenberg, Chairman; A. J. B. Gray; J. T. Lamontagne.

#### Revenues and Expenditures

The Chairman then asked for the report of the Committee on Revenues and Expenditures, which at the preceding session had been instructed to consider certain amendments to the ordinary revenue schedule.



Mr. Jacobs reporting for his Committee submitted a revision of the ordinary revenue schedule which was adopted unanimously with the following amendments:

Section 4 "All Other - Interest" - Delete "not including amounts in 2 above".

"Total Revenue Imposed in Current Year" was changed to read "Total Revenue of Current Year".

The schedule as finally adopted will be found as Appendix 2 of this report.

Mr. Jacobs then presented the schedule for ordinary expenditure as drafted by the Committee and offered the following comments inter alia in explanation of the analysis. In Item No. 4, a municipality which controls the expenditures of schools will show the details required by No. 4, but in other cases where it does not control the school expenditures the municipality will show only the tax levy paid to the school board. With regard to expenditure for capital works or capital purposes that are made from current revenue, he said that in many of the provinces expenditures on certain assets are required from taxation of the current year. In certain provinces these are grouped as a separate unit entirely, but in others they form part of a departmental or group expenditure. It was decided that in all cases where these capital items are shown in a separate group, they would be re-distributed to conform with the practice of other provinces. Mr. Jacobs suggested that as there were many items with which the Committee had not dealt in detail, there should be a small Continuing Committee to handle undisposed of details.

The Chairman asked the Conference to consider the items seriatim.

Section 1 - General Administration - "Discounts" were separated from "Reserves for Taxes" and the latter item was changed to read "Reserves for Uncollectable Taxes".

Section 2 - Protection to Person and Property. Under this heading "Fire" was subdivided to show (a) General Costs  
(b) Water Costs including Hydrant Rentals.

Section 3 - Public Works. The item "Cemeteries" was transferred to the new heading Section 8, "Community Services".

Section 4 - Education. The breakdown of salaries and upkeep was in each instance deleted, and "Libraries and Museums" transferred to Section 8, "Community Services".

Section 8 - A new section "Community Services" was added as follows:

- Libraries, Museums, etc.
- Cemeteries
- Town Planning Commissions
- Industrial Bureaus
- Community Centres
- All Other (specify)

Section 11 - Public Utility Deficits - the words "Where met by Municipality" were added.



Section 12(a) - "Debenture debt charges (General Fund) other than relief" was changed to read "Debenture debt charges (General Fund other than sections (4) Education and (9) Direct Relief".

The schedule on ordinary expenditure as amended and finally adopted is shown as Appendix 3 of this report.

#### Balance Sheet

Mr. Towner, Chairman, submitted a report which was adopted. See Appendix 4 of this report.

#### Terminology

The Chairman asked for a progress report by the Committee on Terminology. Mr. Gordon stated that members had been employed on other duties and therefore, had had little time as yet to devote to the particular subject of terminology. He again stressed the immense amount of work which had been accomplished by the National Committee on Municipal Accounting, and advised the provincial representatives whose governments were not associated with the Municipal Finance Officers' Association to get into contact with its Executive Director, who would gladly furnish reports on its research work.

The Chairman suggested that the Resolutions Committee meet during the evening and report at the Thursday morning Session. No doubt the Resolutions Committee would take into consideration Mr. Gordon's idea of using where possible the results of research work already completed by the National Committee on Municipal Accounting.

Alderman Biggar, of the Canadian Federation of Mayor's and Municipalities regretted that he was unable to remain for the final session of the Conference and expressed the pleasure it had afforded him to be present. He promised the fullest co-operation of the Federation to the Conference in its endeavours to bring about uniformity of reporting and consequent avoidance of duplication of effort on the part of civic officials throughout Canada.

The meeting adjourned at 6.20 to reassemble at 10 a.m. Thursday.

#### Morning Session, July 22, 1937.

The meeting was called to order at 10 a.m., to consider the report of the Resolutions Committee.

Mr. Gray, reporting for the Committee submitted a draft of resolutions. He asked that the following preamble to the resolutions be substituted for the one submitted. "Your Committee on Resolutions appointed by this Conference representative of the Dominion Government, the governments of the provinces, and including representatives of national municipal organizations and municipalities, begs to present the following resolutions." Mr. Gordon moved the adoption of the preamble, seconded by Mr. Goldenberg, and the motion was carried, Mr. Conlon dissenting.

The fourth paragraph of the first resolution was amended to read as follows:



"Be it resolved that this Conference endorses the principle of uniformity in municipal accounting and in the preparation and presentation of municipal statistics, and the avoidance of duplication in this regard and that these objectives be achieved by continued co-operation of the Dominion Government and the governments of the several provinces".

Resolution 3 - In sections (a) and (b) the word "sub-committee" was substituted for "committee". Section (c) was amended to read as follows:

- (c) A Continuing Committee on Assessment and Population for the purpose of reporting to the Dominion Bureau of Statistics and the various Provincial Departments of Municipal Affairs.

A resolution recommending the adoption of the calendar year as the fiscal year by all local governments was carried, Mr. Conlon dissenting.

The final form of the Resolutions as adopted by the Conference will be found at the beginning of this Report.

The personnel of the Continuing Sub-Committee on General Municipal Statistics, as named on Wednesday afternoon, was confirmed, with the substitution of Mr. H. H. Walker for Mr. A. J. B. Gray.

The responsibility of continuing committees making final decisions was raised and the Chairman interpreted the intention of the Conference to be that each continuing committee as it completed its task would report to the Dominion Bureau of Statistics and also to each of the nine provincial government departments having to do with municipal affairs. The provincial departments would then send their criticisms or suggestions, to the Dominion Statistician, no schedule to be finally recommended without a full exchange of views.

The appointment of a Continuing Sub-Committee to deal with Revenues, Expenditures, Balance Sheets and the Classification of Municipal Accounts was discussed at some length. The Chairman called for nominations suggesting that a small committee was preferable. The following sub-committee was finally appointed - J. R. Munro, Chairman; G. P. Gordon and A. J. Towner; Mr. D. A. Skelton of the Bank of Canada agreed to assist the Sub-Committee as consultant.

The final Continuing Committee to be named was that on Assessment and Population. The Chairman expressed the view that this was a committee upon which it might be advisable to have a representative from each province, someone conversant with the legislation and procedure involved. The committee selected included A. J. A. J. B. Gray, Ontario, Chairman; Frank Rowe, Nova Scotia; W. E. Massey, Prince Edward Island; Lloyd Byron, New Brunswick; J. T. Lamontagne, Quebec; R. M. Fisher, Manitoba; C. L. Wells, Saskatchewan; J. W. Judge, Alberta; R. S. Gilchrist, British Columbia.

Mr. Horton suggested that the appointments to the last committee be confirmed to the Dominion Bureau of Statistics on the return of the provincial representatives to their respective provinces. In the event of any one of the named representatives being unable to act, an equally qualified person was to be substituted. This was agreed to.

Mr. Cordon, Chairman of the Committee on Terminology, reported that his Committee would send the finally revised findings to the Dominion Statistician and to each provincial government representative at an early date.

The Conference closed with the passing of Resolutions of Thanks to the Chairman and Secretary of the Conference, and with the singing of the National Anthem.







APPENDICES TO THE REPORT OF THE CONFERENCE  
ON MUNICIPAL STATISTICS

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Schedules prepared by the several  
committees as amended and finally  
adopted by the Conference

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- Appendix 1 - Schedule on General Statistics
- Appendix 2 - Schedule on Ordinary Revenue
- Appendix 3 - Schedule on Ordinary Expenditure
- Appendix 4 - Report on Balance Sheet





APPENDIX I

GENERAL MUNICIPAL STATISTICS

Municipality of .....

Province of .....

Fiscal Year Ending .....

1. Estimated Population

(1) as per assessment Roll .....

(2) other estimates (specify basis)

(i) .....

(ii) .....

2. Area in Acres: Land .....

Water .....

Total .....

3. Assessed Valuation

(Explain basis of assessment)

Net

Exemption

Total

\$

\$

\$

(1) Real Property .....

(a) Land .....

(b) Buildings -

(i) Residential .....

(ii) Other (specify) ....

(c) Total .....

(2) Business .....

(3) Income .....

(4) Other .....(Personal, etc.

specify) .....

(5) Total .....

(6) Assessed Valuation for Schools only:

1/ (a) Public (Protestant) .....

1/ (b) Separate (Catholic) .....

(c) Others .....

(d) Total .....

4. Exemptions:

Totals

(1) Government Property

(a) Dominion .....

(b) Provincial - (i) Utilities .....

(ii) Others (specify) .....

Total .....

(c) Municipal - (i) Property used by  
Municipality ..

(ii) Schools .....

(iii) Others (specify) .....

Total .....

1/ To be adjusted to suit Provincial Requirements.



4. Exemptions (Con.):

Totals

\$

(2) Business Enterprises .....

(3) Religious, Educational and Charitable  
Institutions .....

(4) Others (specify) .....

(5) Grand Total of Exemptions .....

5. Tax Levy and Rate:

Levy  
(Amount)

\$

Mill  
Rate

1/ (1) General Municipal .....

2/ (2) Unemployment Relief .....

(3) Schools (specify under  
different systems) .....

A. Primary -

3/ (a) Public (Protestant) .....

3/ (b) Separate (Catholic) .....

(c) Others .....

(d) Total .....

B. Intermediate -

3/ (a) Public (Protestant) .....

3/ (b) Separate (Catholic) .....

(c) Others .....

(d) Total .....

C. High and Vocational -

3/ (a) Public (Protestant) .....

3/ (b) Separate (Catholic) .....

(c) Others .....

(d) Total .....

Grand Total (A, B and C).

(4) Special Area Taxes .....

(5) Local Improvement Taxes .....

(6) Special Provincial Government  
(Levy or Tax) .....

(7) Other (specify) .....

1/ Will include all general fund costs except

(a) Direct Relief Expenditure to be met from Revenue and

(b) Proportion of Levy to meet Principal and Interest on Direct Relief  
Debentures.

2/ Will include Direct Relief Expenditure to be met from Revenue and Proportion of  
Levy to meet Principal and Interest on Direct Relief Debentures.

3/ To be adjusted to suit Provincial Requirements.

6. Tax Situation (as at close of last completed fiscal year, viz., ..... 193.. )

- (1) Levy for all purposes .....
- (2) Current levy collected .....
- (3) Arrears collected .....
- (4) Total Tax Arrears outstanding including  
arrears for last complete fiscal year
- (5) Reserve for non-collections of taxes .....
- (a) In Current year .....
- (b) In Previous years .....

Total .....

- (6) Total Tax Title Properties acquired up to  
end of fiscal year .....

N.B. For detail see schedule attached.

7. Statement of Debenture Debt as at ..... 19...

DEBENTURE DEBT:

Public Utilities:

- Water Works .....\$
- Hydro-Electric .....\$

- Local Improvements .....
- Schools .....
- General Debentures .....

GROSS DEBENTURE DEBT .....

- Less Public Utilities .....\$
- Sinking Fund .....\$
- Less Public Utilities ...

NET DEBENTURE DEBT -

8. Information as to  
Road and Street Mileage  
Within the municipality (all municipalities).

Surface	Provincial Highways	County Roads	County Suburban Roads	Local Roads and Streets	Public Lanes and Alleys	Total
(1) Asphalt .....						
(2) Concrete .....						
(3) Gravel or stone						
(4) Tar Treatment .						
(5) Unpaved .....						
(6) Unopened .....						
(7) Totals ....						



9. Sewer Mileage

- (1) Storm .....
- (2) Sanitary .....

10. Water Mains Mileage .....

11. Public Parks and Play Grounds owned by Municipalities (area in acres) .....

12. Direct Relief for fiscal year ending ..... 193...

- (1) Gross Expenditure ..... \$ \_\_\_\_\_
  - Less--
  - (a) Total Grants-in-Aid .....\$ \_\_\_\_\_
  - (b) Proceeds of Debentures Sold ..... \_\_\_\_\_
  - (c) Total of (a) and (b) ..... \_\_\_\_\_
- (2) Extended cost for the Period ..... \_\_\_\_\_

APPENDIX 2

ORDINARY REVENUE

1. Taxation

All property taxes (including school taxes)  
Property owners' share local improvements  
Business and professional taxes  
Income taxes  
Poll tax  
Amusement tax  
Other taxes (specify)

2. Public Utilities (See also Schedule A)

Water works	)	
Gas and electricity	)	
Street railways	)	Profits paid to
Telephones	)	municipality
Central heating plants	)	
Other utilities (specify)	)	

3. Grants and Subsidies from other Governments toward  
current expenditure (excluding relief)

School grants  
All other (specify)

4. All other

Franchises (privately owned utilities, etc.)  
Business and trade licences and fees  
All other licences (specify important items)  
Fines and costs  
Interest and penalties on taxes  
Interest  
Rents  
All other (specify important items)

TOTAL REVENUE OF CURRENT YEAR -

5. Surplus from previous year (if any) applicable and used

6. Excess of expenditures over revenues (if any) current year

Schedule A:

1. Summary of gross revenues and expenditures for each utility for the same fiscal year.
2. Interest, sinking fund, and amortization payments contractually due to municipality from each utility for the same fiscal year.

Note: School Grants - This item to apply only where the municipality controls and pays school expenditures.





APPENDIX 3

ORDINARY EXPENDITURE

1. General Administration

Mayor, Council, executive, etc. (all pensions and salaries other  
than those included with  
expenditures appearing below)

Civic office buildings  
Elections  
Discounts  
Reserves for uncollectable taxes  
General expenses and supplies (specify important items)

2. Protection to Person and Property

Police (including jails and other correctional institutions)  
Fire (a) general costs  
(b) water costs including hydrant rentals  
Street lighting  
Inspection of buildings, fixtures, etc.  
Destruction of pests  
All other (specify important items)

3. Public Works

Roads  
Bridges  
Sidewalks  
Air Harbours  
Street cleaning, sprinkling and snow removal  
Parks, playgrounds, golf courses, etc.  
All other (specify important items)

4. Education (including pensions and salaries of officials and staff)

Public schools or "commissioner schools"  
Separate schools or "trustee schools"  
Secondary schools  
Technical or vocational schools  
Other

5. Sanitation

Sewers and sewage disposal  
Garbage disposal  
Food regulation and inspection  
All other

6. Health Services

Hospitalization (specify important items)  
Contributions to sanatoria  
Mental hospitals  
All other (specify)



7. Social Services

Old age pensions  
Mothers' allowances  
Orphanages and other charities  
All other (specify important items)

8. Community Services

Libraries, Museums, etc.  
Cemeteries  
Town Planning Commissions  
Industrial Bureaus  
Community Centres  
All other (specify)

9. Direct Relief

- (a) Gross expenditure for direct relief  
Less:
  - Grants-in-aid
  - Proceeds of debentures
- (b) Cost of administration where kept separate
- (c) Interest and repayment of relief debentures.

10. Payments to Other Governments

Counties, etc.

11. Public Utility deficits where met by Municipality

Gas and electricity  
Street railways  
Telephones  
Central heating plants  
Waterworks  
Other utilities

12. Debt Charges

- (a) Debenture debt charges (General Fund) other than  
(4) Education and (8) Relief
  - 1. Principal
  - 2. Interest
  - 3. Amortization of debenture discount
- (b) Other debt charges
  - 1. Bank interest
  - 2. Exchange and other handling charges

TOTAL EXPENDITURE OF CURRENT YEAR

13. Deficit (if any) from previous year.

14. Excess (if any) of revenue over expenditure of current year.

NOTE: Where a municipality pays the school tax levy to the school board No. 4  
(Education) is to be confined to the current tax levy for each class of school.

#### APPENDIX 4

##### REPORT OF THE COMMITTEE ON THE BALANCE SHEET

The Committee considered its duties at the present time were to suggest to the Committee of the Whole the funds that should be included in a Municipal Balance Sheet.

The Committee has finally agreed that the municipal balance sheet should not include any more than the following funds:

- (a) Capital and loan fund
- (b) Sinking fund
- (c) Trust fund
- (d) Revenue fund

The Committee is of the opinion that a separate balance sheet must be drawn up for every public utility owned and operated by the municipality, local boards, commissions, etc.

The Committee did not feel it expedient to consider the classification of accounts that should appear in the above-mentioned balance sheets for the reason that the Continuing Sub-Committee appointed for the whole classification of accounts is also in charge of the classification of balance sheet accounts.

(signed) J. A. Towner,  
Chairman.











